Originaltitel	**Dubai's macro economic risk 'declines'**
Datum	**07.04.2010**
Quelle	**Emirates Business 24|7**
Sprache	**englisch**

Dubai's macro economic risk 'declines'

DIFC economics chief says risk in emirate's economy has fallen following Dubai World restructure.

By Shveta Pathak

Markets across the region have improved and this trend would continue Dr Nasser Saidi, DIFC Chief Economist. (EB FILE)

Risk in Dubai's economy has substantially reduced after the Dubai World debt restructuring, Dr Nasser Saidi, DIFC Chief Economist.

Markets clearly are showing that and the performance across markets in the region, he said.

"Overall the risk in the macro economy of Dubai has come down," he told Emirates Business.

"More fundamentally Dubai and Abu Dhabi have worked together showing that this is a federation. So I would also say macro economic risk has declined. As a result of it markets across the region have improved and this trend would continue."

The region, however, needs to focus on strengthening corporate governance and improving transparency and disclosures, Saidi said.

He said the region needs an insolvency framework that allows companies to restructure. "It would facilitate re-organising and restructuring. In addition, this is also time to think of tighten standards of corporate governance particularly for listed companies. We need to strengthen our regulators so they can be more effective."

Terming media reports on likelihood of any further debt restructuring in Dubai as "storm in the cup", Saidi said these could be politically motivated.

The restructuring of debt saw no preferences to any investors and both foreign and local investors and creditors were treated equally and fairly. "There were no hair cuts so they didn't lose any money. It also clarified and made ownership much more transparent," he said.

Regarding impact of debt restructuring on banking sector, Saidi said the sector has emerged stronger.

"We have restoration of liquidity and higher CA ratio. No haircuts means there would be no provisioning required. Banks will have ability to lend based on their stronger capital base and better capital adequacy," he said.